

Response to the consultation on Stability and simplicity: proposals for a rural funding transition period. August 2018.

## **Response to the consultation on Stability and simplicity: proposals for a rural funding transition period by Scottish Environment LINK Food & Farming Subgroup**

**Date: 15 August 2018**



### **INTRODUCTION**

Scottish Environment LINK members are pleased to see the recent consultation on rural policy post-Brexit.

We welcome the commitment to a 'comprehensive new rural policy which helps to protect and enhance the natural assets on which our farming and other rural industries depend', and the commitment to maintaining environmental standards throughout this period of change.

The consultation focuses on the transition period after, as looks likely, the UK leaves the EU, but before a new policy framework is in place. We agree that a transition period is vital, but emphasise that Scottish Government urgently needs to publish a long-term vision, and make the direction of travel clear. The time to plan for the future is now, when there is still opportunity to do so.

In Scottish Environment LINK, we believe that in the long-term, policy and funding should be fundamentally transformed to drive integrated land use and the delivery of public goods. Despite current policies, we continue to see declines in wildlife, significant greenhouse gas emissions from agriculture and land management, problems with soil and water quality, deterioration in Scotland's lowland and upland landscapes, and competing pressures on land. To tackle this, policy should mainstream nature-friendly land management, whereby land managers are supported to help native wildlife, restore habitat connectivity and ecosystems, and maintain and enhance the beauty of Scotland's landscapes, which will also help people to connect with and enjoy nature. In addition to our broad obligation to nature we also recognise the role of 'ecosystem services', including those provided by biodiversity, that are essential to the future of food security as well as to a thriving natural environment and rural sector. Adopting the principle of agroecology as in other parts of Europe, would indicate a direction of travel towards a much more integrated approach to farming, land use and the environment.

Innovative ideas to direct public funding towards land and land use should be geared towards delivering public goods. More detail on the sorts of policy and funding structure we would like to see in the post-2024 period can be found [here](http://www.scotlink.org/wp/files/LINK-Future-of-Farming-and-Rural-Land-Management_March2017.pdf) ([www.scotlink.org/wp/files/LINK-Future-of-Farming-and-Rural-Land-Management\\_March2017.pdf](http://www.scotlink.org/wp/files/LINK-Future-of-Farming-and-Rural-Land-Management_March2017.pdf)).

We appreciate that moving to a fundamentally new system will require significant preparation within a transition period, as well as robust investment. Below, we offer some reflections on the proposals for the immediate future, as well as what we believe should be the focus of the longer transition to 2024.

### **THE IMMEDIATE FUTURE**

#### **Simplification**

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Simplification is a clear theme, and one that we understand from the consultation will be the immediate focus. In principle, we welcome simplification e.g. where we are simplifying application processes to make schemes as accessible as possible to farmers, crofters and land managers. Efforts to minimise the internal bureaucracies of CAP schemes to free up resources within the civil service would also be positive.

However, changes should only be made where they do not compromise delivery of environmental and other benefits. We are concerned that simplification can take many different forms, and that, for instance, 'simplify[ing] the consumer compliance burden' (p. 7) is part of an unhelpful narrative where regulation constitutes red tape for farmers, rather than a necessary control to ensure continued quality, and protection of the environment and natural assets for current and future generations.

When it comes to simplifying the compliance regime (read as inspections and enforcement), we suggest that this should mean e.g. simplifying, streamlining and improving access to information regarding regulatory requirements; improving access to independent advice; and providing a more supportive and proportionate approach to inspections driven by the intended outcomes of policies, schemes and options. We would strongly oppose a simplification agenda which erodes or weakens regulation or enforcement where there are environmental, food standards, or animal welfare breaches, or which compromises delivery of environmental and other public goods.

Having said this, we welcome commitments within the consultation to maintain environmental standards and meet climate change targets, which we hope will provide a robust backdrop to the simplification agenda. We also welcome Scottish Government proposals for an environment strategy for Scotland, and want to see this commit to maintaining or exceeding EU environmental standards, as well as adopting EU environmental principles such as the 'polluter pays principle'.

## **Stability**

The other theme of the consultation is stability: providing relative certainty for land managers in the coming years. We also welcome this approach, but emphasise that we support this period of little change under the assumption that the transition is used for robust and well-resourced policy development to allow for fundamental policy change post-2024. Doing so will require significant investment, which we suggest should come from capping direct payments in the transition period, as detailed in the consultation. Options for doing so should be further explored, and driven both by the long-term plan for rural policy, and in the short-term on how much Scottish Government needs to raise to meaningfully resource policy development in the transition. Moreover, in the absence of policies and structures to replace schemes, especially in Pillar 2, these should be continued until new schemes are in place.

Continued policy development is likely to be necessary even after 2024. Regular evaluation, review and updating of policies and funding structures is necessary to continue to make progress towards a more integrated, supportive system that can respond to modern challenges and opportunities.

## **TRANSITION – THE MEDIUM TERM**

We are clear in [our paper from March 2017](#) that we believe that receipt of public incentives should be dependent on delivering public goods and services which are not paid for through the market, or secured through regulation. We also believe that the delivery of public goods should be targeted, with strategic contributions to regional and national public objectives.

We have some ideas about what this new system should look like, including:

- Integration between the Land Use Strategy, planning policy and future rural and agricultural policy through the completion of Regional Land Use Frameworks (RLUFs). They provide an opportunity to identify regional land use priorities through a participatory process, with requirements to contribute to

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Local Outcome Improvement Plans, UN Sustainable Development Goals and the National Performance Framework.

- Holding-level land management planning which identifies how each holding could contribute to the delivery of regional and national public goods priorities. This should look at the holding in the round, including its environmental and business performance and how it could become more sustainable. The plan should identify short-term interventions to enhance the delivery of public goods, as well as map out a long-term direction of travel. This would constitute much of the application process to the suggested future schemes outlined in LINK's paper from March 2017 (URL above).
- An enhanced advisory service, supporting the creation of holding level land management plans, enhancing performance and delivery following specialist advice, and supporting a transition to a 21<sup>st</sup> century rural sector.
- A scheme that is much more focused on outcomes and delivery of public benefits (public goods). Monitoring should begin to play a role in the inspection process, with the focus shifting to the outcomes achieved, with some flexibility on how these outcomes are reached. The evaluation of monitoring data should be used to develop policy – building on what works well. This would in turn help encourage buy-in to monitoring efforts.

Developing a new scheme will require preparation, and testing new approaches in the short term. The consultation invites ideas on useful approaches; LINK's suggestions are detailed below.

## I. Developing existing approaches

The aim of the transition outlined in the consultation is to 'help farmers, crofters and other land managers to diversify their businesses and develop opportunities to integrate into a wider rural economy, enhance their role as stewards of our natural environment, and embrace an integrated approach to land use which seeks to deliver multiple benefits from the land' (p.7).

With integrated land use, and an integrated rural economy as explicit goals of the transition period, Scottish Environment LINK believe that there is close alignment between the aims of the agricultural policy transition, and other policy priorities. There is an opportunity to build on work that has already been done through the Regional Land Use Pilots during the period that the Scottish Land Use Strategy is also due to be refreshed. Similarly, the National Planning Framework will also be updated in the coming years, and should be seen as a backdrop to future rural policies. Using the transition period for agricultural policy and funding to progress these synergistic initiatives would be a tangible way of testing the integration of policies across the rural economy.

We therefore suggest two activities that should be part of the transition period.

**1. Rolling out Regional Land Use Frameworks.** Multiple competing drivers influence land use, including political, economic, social, environmental and other targets. Our land use needs for agriculture, forestry, access, recreation and tourism, development, energy, carbon storage, and so on, will not be met without a strategic, coordinated approach. We also believe that there is consensus across the rural sector that policy and funding must be more regionalised. Given the differences across Scotland, regions need to be able to identify priorities and regional land use capabilities. With regards to future policy and funding frameworks, this strategic, participatory exercise should highlight the potential for public goods contributions that could be publicly funded, including different types of integrated land use approaches, such as agroforestry, organic, and high nature value farming and crofting.

With the two pilot projects that ran from 2013-15, we have the necessary experience to roll this out to all Scottish regions during the transition period. The original pilot projects were given a remit to follow by Scottish

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Government, outlining a three-stage process, including: 1. Baseline mapping; 2. Constraints and assumptions; and 3. Framework production. This process should be rolled out across Scotland implementing lessons learned. As part of the transition period, we recommend that Scottish Government:

1. Further support Aberdeenshire Council to develop their pilot work into a Regional Land Use Framework and take this to delivery.
2. Formalise Tweed Forum's role as a regional partnership and provide funding and support to take their Regional Land Use Framework through to delivery.
3. Roll out of Regional Land Use Frameworks across Scotland, ensuring that lead partners are adequately resourced and supported. Doing so will require that:
  - a. Regional Land Use Partnerships are identified, set up and given adequate statutory recognition to lead on stakeholder engagement and other key components of regional framework production.
  - b. Guidance, and a framework for decision making on land use at a national level are available to the partnerships. This must be led from the LUS but coupled with a regional and local approach to delivery which takes account of specific ambitions, conflicts, pressures and solutions.
  - c. Continue to build upon and improve the quality and availability of spatial habitat, landscape, land use and ecosystem services data available on SEWeb, and provide guidance on land use mapping to ensure a consistent approach is taken to development of land use frameworks.

**2. Develop a number of 'pathfinder projects'.** The purpose of these would be to trial a grassroots model of place-based civic engagement to translate the regional land use frameworks into delivery on the ground in a smaller local area. Partnerships between land managers and other members of local communities would work together to identify the key public goods from land use in their area, and desired local action. These should be developed closely alongside the RLUFs, ultimately nesting underneath and identifying their local role within the priorities, opportunities and constraints identified within their region. Practically, we would envisage:

- 6-8 pathfinder projects, covering different geographies, demographics, land use models and sectors.
- Groups of land managers would bid for pathfinder status, ensuring buy-in from the start.
- They would be led by Local Authorities, who would prioritise civic conversations between land managers and different members of the community to review where money is currently being spent in the area, compared with the key public goods identified from the local partnership.
- SEFARI and RESAS would be closely involved, collecting and collating baseline economic, social and environmental data, and studying the outcomes. SNH, SEPA and other statutory bodies would be on hand to help to develop and interpret the evidence base and engage with the local partnership.

We can envisage these pathfinder projects generating some new thinking and potentially moving on to some small-scale testing of innovative local approaches to delivering public goods. Local co-operatives may usefully emerge, and other models of fostering a more integrated, democratic and cooperative approach to strategic land use decisions.

## II. Trialling, testing and developing new approaches

In addition to building on existing commitments, there are several new approaches that we believe could be usefully trialled during a transition period.

### *Holding-level land management planning -*

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As we move to a more integrated land use model at the regional and national level, we see some form of holding-level land management planning as an essential part of accessing funding in future. This should cover both business and environmental aspects of the holding, identifying opportunities and constraints for public goods delivery and cohering with regional priorities. This differs from today's Integrated Land Management Plans available through FAS, as they would automatically look at holdings in the round, without the option to decide on any one focus. As part of the simplification agenda, they could potentially also replace much of the application and targeting process.

Trialling holding-level land management plans could usefully test:

1. What it is feasible for a land management plan to cover if it is to be both a meaningful, yet a universal requirement for all land managers.
2. How producing the plans would work practically.
3. Linked to point 2., what advice provision this approach would require

#### *Models for advice provision –*

As the consultation recognises, 'there is a general consensus that there may be a greater role for advice and knowledge transfer in future'. It is debatable whether current advisory services are fit for purpose, particularly in the provision of high quality advice linked to the delivery of public goods. More intensive advice would need to play a greater role in, e.g. holding-level land management plans, the monitoring and flexible management involved in a more outcome-focused schemes, and in providing a more supportive environment for land managers in transitioning to a land use system fit for the 21<sup>st</sup> century. In terms of enhancing land managers' roles as stewards of our natural environment, and integrating farming, crofting, forestry and other land management into wider landscapes and ecosystems, staff and managers on the land need to be able to access training and support.

A structured review of current advisory services is recommended and trialling different models of advice provision would be sensible. A review should set out a plan of how to address current gaps and weakness in the sector and ensure land managers have access to the type, and standard, of advice that will be required. Trials would involve learning lessons from abroad, and from past and present models for advice, engaging with land managers to learn more about advice and training needs, and innovative thinking on different options. Options for upskilling advisors, farmers, and agronomists should also be considered, including the need for new ecological training and skills courses at rural/agricultural colleges. Constraints and challenges should be identified, e.g. training and accreditation for advisors, number of advisors, cost of advice, and so on, but should not limit the options explored. A task force to look at different needs and options may be a good approach, and trials for different models could be usefully linked to support the other proposals in this document.

#### *Collaboration –*

There may also be opportunities for funding arrangements that better recognise the value of joint working between land managers in delivering public benefits. Following the failure of the ECAF scheme, using the transition period to trial methods for collaboration would be sensible. Feedback from the ECAF scheme was that it should fund facilitation to set up collaborative projects, rather than requiring partnerships to be set up before application. This recognises the substantial work involved in facilitation and reaching consensus. The ECAF model and other options for encouraging collaboration should be explored.

#### *Outcome-based approaches to environmental land management schemes –*

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The consultation suggests that Scotland should move to a more outcome-based approach to policies and funding. In such a system, identified outcomes and performance indicators reflect specific public goods objectives. Management is tailored to deliver these objectives, the delivery is assessed, and in some cases, all or part of the funding is allocated based on performance. Outcome-based approaches have been trialled elsewhere, and should also be tested in the Scottish context, using the lessons learned across Europe. As with the pathfinder projects, these should be properly monitored and evaluated, and could be usefully linked in with trials for different models of advice provision, and holding-level land management plans.

## CONCLUSIONS

We believe that getting rural policy and funding right is key to protecting and enhancing the environment. The recent CAP Vision (June 2018) stresses the shortcomings of the CAP, and implies the need for fundamental reform. Whether or not Scotland remains in the EU, we must keep up with the direction of travel and respond to the challenges and opportunities that we face by committing to change. Environmental protections should be at least in line with the EU, and the opportunities for rural support maintained but fundamentally reshaped to meet Scotland's needs. We welcome the opportunity to respond to this consultation, and would also welcome future opportunities to continue this conversation, and to engage in the policy development process.

If we get the transition period right, and embark on a path of progressive and inclusive policy development, we will be well on our way to creating policies and frameworks that are fit for the 21<sup>st</sup> century.

**This position paper is supported by the following Scottish Environment LINK Food and Farming Subgroup members:**

- Nourish Scotland
- RSPB Scotland
- Scottish Wild Beaver Group
- Soil Association Scotland
- National Trust for Scotland
- Association for the Protection of Rural Scotland
- Ramblers Scotland
- ScotFWAG
- Scottish Badgers
- Scottish Wildlife Trust
- Butterfly Conservation Scotland
- Amphibian and Reptile Conservation
- Woodland Trust Scotland
- Scottish Campaign for National Parks

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